



Private Equity Exits

A Practical Analysis, Third Edition

Consulting Editor **Tom D Evans**

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Introduction

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For private equity houses, successful exits are key. Exits realise value, return proceeds to investors and create a track record relevant for raising successor funds. Successful exits distinguish top quartile private equity funds from their peers. When structuring an investment, private equity houses also structure the exit. This book focuses on that inevitable component of the private equity lifecycle.

Globe Law and Business's sister publication to this book – *Private Equity: A Transactional Analysis*¹ – examines the issues around private equity investments; this book focuses on the key issues to be considered when exiting those investments.

As with previous editions of this book, chapters in this edition examine different methods for effecting an exit and the key issues for each. The book primarily deals with UK issues, but contains specific chapters on Luxembourg, US and emerging markets exits.

Since the last edition, much has changed. A global pandemic has circled the globe. Brexit has uncoupled the UK from increasing regulatory conformity across much of Europe. A mergers and acquisitions boom has solidified seller-friendly tendencies in the European market. Exits happen at an ever-faster pace. All of these factors mean that early consideration of the matters set out in this book have become all the more relevant.

Indeed, the European market has become so competitive, that numerous private equity funds are not only selling to each other (something that was the subject of significant discussion less than a decade ago), but selling to successor or continuation funds within the same franchise. This is a topic first considered in this new edition, by Tom Alabaster and Lavanya Raghavan.

My thanks go in particular to David Walker, a statesman of private equity deal-doing in London. David astutely edited the first two editions of this book, making editing this edition all the more enjoyable. My thanks also to the contributing authors whose expert perspectives were a joy to review.

This Introduction by Tom D Evans is taken from Private Equity Exits, Third Edition. Full details can be found at www.globelawandbusiness.com/PEE3.

Private Equity Exits

A Practical Analysis, Third Edition

Private Equity Exits: A Practical Analysis, Third Edition

For private equity investors, at the top of their list of priorities when making an investment is an understanding of when and how they will realise it in due course. The methods of exiting private equity investments have developed over the years, in particular as a result of the hyper-competitive market for quality assets and disruption caused by global macro-economic events such as COVID-19.

In addition to the usual trade sales and initial public offerings (IPOs) are secondary, tertiary (and more) buy-outs, refinancings, partial sales, private equity house spin-outs, liquidations and an increasing number of 'fund-to-fund' transfers. In these uncertain times, private equity houses will continue to focus on what options might be available to them to realise their portfolio investments, being mindful of the economic risks as well as the legal, tax, regulatory and reputational issues at stake.

The third edition features contributions by leading specialists on a range of key topics linked to the exit of private equity investments. Coverage includes auction sales, vendor diligence, partial exits, private equity house spin-outs, IPOs, refinancing, winding-up, tax, perspectives from Luxembourg and the US, and views on the emerging markets.

This edition also includes analysis of emerging and established trends impacting exit terms, including early management liquidity, the prevalence of insurance solutions and related party or fund-to-fund exits, thus making it an invaluable guide to the legal, regulatory, tax and practical elements in play. Whether you are a lawyer in practice or in-house, this commercially focused title will provide you with a comprehensive overview of private equity exits.

